

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0749-01
Bill No.: HB 1013
Subject: Insurance - Medical; Health Care; Medicaid; Physicians; Health Care Professionals
Type: Original
Date: March 31, 2015

Bill Summary: This proposal establishes the Fair Individual Health Pricing Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	Unknown FTE	Unknown FTE	Unknown FTE
Total Estimated Net Effect on FTE	Unknown FTE	Unknown FTE	Unknown FTE

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Oversight could find no similar legislation from which to base our fiscal impact estimates. Without agency responses, Oversight will assume that the additional responsibilities placed on the Department of Health and Senior Services (DHSS) will cost the agency an unknown amount and require an unknown amount of additional FTE. Also, the proposal allows for fines to be assessed on health providers as well as health carriers. Oversight will assume the incurred costs as well as the fine revenue associated with this proposal will occur in the General Revenue Fund. Oversight will also assume the amount of agency costs will be larger than the amount fine revenue collected.

Oversight will also assume the Department of Insurance, Financial Institutions and Professional Registration (DIFP) will incur costs to publish all premium rates filed with the department on their website, as well as to implement procedures for receiving and investigating complaints regarding the provisions of the proposal.

Officials from the **Joint Committee on Administrative Rules** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

This proposal could increase Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE			
<u>Revenue</u> - DHSS & DIFP - Fine revenue from health providers and/or health carriers	Unknown	Unknown	Unknown
<u>Costs</u> - DIFP - to implement the provisions of §376.527	(Unknown)	(Unknown)	(Unknown)
<u>Costs</u> - DHSS - to implement the provisions of §376.525	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
Estimated Net FTE Change for the General Revenue Fund	Unknown FTE	Unknown FTE	Unknown FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2016 (10 Mo.)	 FY 2017	 FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal will have a negative fiscal impact on small business health care providers since the highest rate they will be able to accept as payment in full for health care services from an uninsured individual will be the lowest reimbursement rate they receive from a health insurer or Medicare as payment in full for the same or similar health care service.

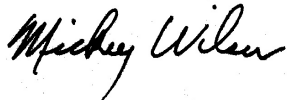
FISCAL DESCRIPTION

This proposal establishes the Fair Individual Health Pricing Act.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Joint Committee on Administrative Rules

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 31, 2015

Ross Strobe
Assistant Director
March 31, 2015